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ROUTING AND RECORD SHEET

SUBJECT: (Optional)					file Procurement			
FROM: <input type="text"/>				EXTENSION			NO. OCA 88-0084 25X1	
OCA/LEG				<input type="text"/>		DATE 14 January 1988 25X1		
TO: (Officer designation, room number, and building)			DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)		
			RECEIVED	FORWARDED				
1.	<input type="text"/>		1-15-88	16 JAN 1988	A	Attached is a draft letter to OMB explaining our views on H.R. 2790, Public Building Amendments. We would appreciate receiving your comments at the earliest opportunity so that we can inform OMB of our views before the Senate takes up similar legislation.		
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14.	Unclassified when separated from attachments.							OK <input type="text"/> 16 JAN 1988
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Central Intelligence Agency



Washington, D. C. 20505

DRAFT

Mr. James M. Frey
Assistant Director
for Legislative Reference
Office of Management and Budget
Washington, D. C. 20503


Dear Mr. Frey:

By letter dated 15 December 1987, your office requested the views of the Central Intelligence Agency on H.R. 2790, Public Building Amendments, as passed by the House on 14 December 1987. We responded by telephone that we have problems with the bill and were told that the Office of Management and Budget was opposing the bill on other grounds. To ensure that the Administration's record is complete, we are providing our written comments on the bill.

Because the comments are classified in nature, we have forwarded them to Russ Neely and asked that he place them in the proper channels.

We welcome this opportunity to comment on this proposed legislation and hope our views are of assistance to you.

Sincerely,


Deputy Director for Legislation
Office of Congressional Affairs

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Washington, D.C. 20505

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Mr. Russell Neely
National Security Division
Office of Management and Budget
New Executive Office Building
Room 8215
Washington, D.C. 20503

Dear Russ:

By letter dated 15 December 1987, the Office of Management and Budget asked that we formulate our views on H.R. 2790, Public Building Amendments, as passed by the House on 14 December 1987. Because the Agency's comments are classified in nature, we ask that you see they are handled in the proper channels. Accordingly, the Central Intelligence Agency presents its views below.

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Section 3(a) of the bill states that an agency cannot make alterations to buildings, the cumulative cost of which exceeds without approval by the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation. When the Agency leases property, the security modifications alone can exceed this sum. Such a requirement would contravene section 8 of the Central Intelligence Agency Act of 1949, 50 U.S.C. 403, which provides that, "[n]otwithstanding any other provisions of law," the Agency can expend sums for the "repair, rental, operation, and maintenance of buildings."

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Section 3(b) of the bill proscribes the General Services Administration (GSA) from leasing space to accommodate major computer operations, secure or sensitive activities relating to the national security unless the activities cannot be located in a public building identified with the Government, offices requiring major alterations to the building, or permanent courtrooms, unless certain determinations are made and the above congressional committees are notified. Most of the

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Agency's leased space falls within the first three categories. Again, this legislation would contravene section 8 of the CIA Act. This argument also applies to section 4 of the bill requiring GSA to report any rent adjustments to the above congressional committees.

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For different reasons, the Agency also objects to section 6 of the bill. This provision allows GSA to turn over to a state GSA's interests without consulting with the affected agency, whenever GSA considers it "desirable." It is obvious that protection of the national security requires that the Central Intelligence Agency and not GSA decide when such action is "desirable" for CIA's buildings.

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Section 6 also requires that GSA not commit to the construction of a building for lease to an agency until it has established detailed specifications for each building. Such specifications would be issued by regulation and could constitute a breach of security with respect to Agency buildings. This argument also holds true for that portion of section 6 requiring publicly solicited competitive bids for buildings constructed for lease to an agency and for that portion requiring GSA inspections of buildings.

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Section 7 of the bill with respect to compliance with building codes, zoning laws and the like does allow GSA to waive these requirements for buildings where there is an adverse effect on the national security. As explained above, most of the provisions of this bill would have an adverse effect on the national security. For this reason the Agency believes that it should be exempted from all provisions of the bill. The Agency would, in the absence of such an amendment, support a veto of the measure if passed.

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We appreciate the opportunity to provide our views on this proposed legislation.

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Sincerely,

Deputy Director for Legislation
Office of Congressional Affairs

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Enclosure